



419 W 4<sup>TH</sup> ST  
TEXARKANA, TEXAS 75501-5642

December 23, 2010

Jennifer J Johnson  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z  
and the Truth-in-Lending Act Docket No. R-1390

Dear Ms Johnson:

I am the manager of Morris Sheppard Texarkana Federal Credit Union. Our asset size is \$7.5M and we are located in Texarkana, TX. Our federal charter is #1. We were established in 1934 and named after a Texas Senator, Morris Sheppard, that helped establish the Federal Credit Union Act.

I am concerned that the new amendment will cause many members to decline these products that they actually need. Many members can not get insurance for one reason or another, but do qualify for Credit Life and Disability insurance. The credit insurance we offer through CUNA Mutual Insurance is calculated on the members' balance every month. As the balance declines, so does the insurance premium.

In my opinion, the wording of the proposed disclosure sounds as if the member would be careless if they took this insurance option. Most of our members want this type of insurance. I am afraid that the way the disclosure is worded, the members will feel that we are taking advantage of them, where actually, it will protect them. I would, however, support accurate disclosures for these loan products.

Many of our members have benefitted from this insurance:

One member's loan was paid off after his arm was severed.

Right now, a member's payments are being paid because he was classified as disabled. Without this insurance, we would have been forced to repossess his car, pickup, and ATV. This would have ultimately ruined his credit.

My husband is a firefighter and was thrown by a 5 inch water hose that burst behind him. He had a broken shoulder, which caused him to be off work for three months last year. I am very thankful that he received benefits from the disability insurance. Because of last year's accident, he had neck surgery in August, which also was filed on this insurance.

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I have always purchased this insurance and always will because I understand how it works. But, many members don't understand. Everyone is bombarded with disclosures. When our members read the proposed wording, I feel this will confuse the member. It may also put a small amount of doubt in their minds that maybe the credit union is not really trying to help them. The disclosure should reflect some type of wording that this insurance could help a member have a successful payment history and continued good credit. We would like to ask the Federal Reserve to consider rewording the disclosure for a more fair assessment of what these insurance products REALLY do for the member.

Sincerely,

Michelle Daniels

Manager

Morris Sheppard Texarkana Federal Credit Union

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